

**Internal Revenue Service**

**Department of the Treasury**

Washington, DC 20224

Person to Contact: [REDACTED]

Telephone Number: [REDACTED]

Refer Reply to: [REDACTED]

Date: DEC 12 1995

Employer Identification Number: [REDACTED]

Key District: [REDACTED]

Form: [REDACTED]

Tax Years: All Years

Dear Applicant:

This letter constitutes a final adverse ruling with respect to your claim of exemption from federal income taxation under section 501(c)(3) of the Internal Revenue Code.

We make our ruling for the following reason(s):

You are neither organized nor operated exclusively for one or more exempt purposes as required by section 501(c)(3) of the Code. You do not meet the organizational or operational tests under sections 1.501(c)(3)-1(b) and (c) of the Income Tax Regulations.

Your activities serve the purpose of creating a self-sustaining community for the benefit of your [REDACTED] members. Consequently, your activities serve private rather than public interests.

Donors may not deduct contributions to your organization under section 170 of the Code.

The Code and the regulations issued thereunder require that you file federal income tax returns. Based upon the financial information that you furnished, you should file returns on the form and for the tax years indicated above within 30 days from the date of this letter with your key District Director for exempt organization matters, shown above, unless you request and your key District Director grants an extension of time to file the returns. You should file returns for later tax years with the appropriate service center indicated in the instructions for those returns.

If you decide to contest this ruling under the declaratory judgment provisions of section 7428 of the Code, you must initiate a suit in the United States Tax Court, the United States

[REDACTED]

Court of Federal Claims, or the District Court of the United States for the District of Columbia before the 91st day after the date that we mailed this ruling to you. Contact the clerk of the appropriate court for rules for initiating suits for declaratory judgment. The filing of a declaratory judgment suit under section 7428 does not stay the processing of income tax returns and assessment of any taxes.

In accordance with section 6104(c) of the Code, we will notify the appropriate State officials of this action.

If you have any questions concerning the reasons for this ruling, please contact the person whose name and telephone number appear in the heading of this letter. You should address questions concerning the filing of returns to your key District Director.

Sincerely,

(signed) [REDACTED]

[REDACTED]  
Director, Exempt Organizations  
Division

Internal Revenue Service

*Yellow Copy*  
Department of the Treasury

Washington, DC 20224

Person to Contact: [REDACTED]

Telephone Number: [REDACTED]

Refer Reply to: [REDACTED]

Date:

FEB 13 1995

Employer Identification Number: [REDACTED]

Key District: [REDACTED]

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code.

The information submitted indicates that you were incorporated under the [REDACTED] Business Corporation Act on [REDACTED]. Your Articles of Incorporation state your purposes, in part, as follows:

1. Operating as a religious nonprofit corporation for the teaching of the American Indian Religions, to wit the [REDACTED] religion as set forth in "[REDACTED]", which is included as part of the Corporation papers.
2. The teaching of the American Indian Heritage.
3. The teaching of the American Indian Culture.
4. The continuation of the American Indian way of life, as practiced within all American Indian Tribes.
5. The bringing together of all American Indian Tribes as one Tribe, speaking as one.
6. The formation of refuges for members of the [REDACTED] Tribe to live.
7. To provide food, clothing, and shelter to the needy.
8. To provide substance control help for those who are controlled by substances.

Your Articles of Incorporation state that your Board of Directors shall be comprised of three members. It also states that you will have members known as the [REDACTED] Tribe.

*Yellow Copy*

- 2 -

[REDACTED]

You have indicated that your Articles of Incorporation are also your by-laws. Your present Board of Directors is comprised of [REDACTED], President; [REDACTED], Vice-President; and [REDACTED], Secretary-Treasurer.

On [REDACTED], the Office of the State Corporation Commission of the State of [REDACTED] issued a Certificate of Authority for you to transact business in [REDACTED]. You are not incorporated in the State of [REDACTED].

You state that your sources of income are anonymous donors. You state that identification is not required for donations. You do not keep records of donors.

You state that you are a membership organization and that you propose to attract members by word of mouth. In your letter, date stamped [REDACTED], you indicate that you have only one type of membership. The requirement for membership is to live according to the teachings set forth in [REDACTED] to the best of members' abilities. You also state that you are not aware of the precise number of members, other than the residents on the refuge in [REDACTED], which is [REDACTED]. You state that it is not a requirement to be a member to live on the refuge. The only benefit a member receives is to live and exist at the refuge as well as to be a good example to others. There are no membership fees. All members and non-member residents have a vote on everything. However, your Elders have the final say because that is the traditional way.

Your membership is currently comprised of [REDACTED] persons. [REDACTED], [REDACTED], [REDACTED] and one other person. Although not directly indicated it appears that the other person's name is [REDACTED]. Reference is made to [REDACTED] in your letters as the person who tends to the greenhouse. You did not respond to our question on the relationship between the persons comprising your board of directors and/or your [REDACTED] members. For example, whether these [REDACTED] persons were related by blood, such as brothers and sisters, or marriage.

You submitted a pamphlet titled "[REDACTED]", which appears to have been printed while you had your offices in [REDACTED]. It states, "[REDACTED] is a nonprofit corporation headquartered in [REDACTED], with locations in several parts of the U.S. Our largest refuge is located in the western mountains of [REDACTED]. On the [REDACTED] acres we are currently building housing and buildings from recycled tires. We are building a semi self-sufficient community with about [REDACTED] acres of crop land, green houses, a saw mill and related shops." It states, "We are not a commune, as everyone has their own housing, as soon as they build it, in cooperation with others. We are trying to build a community with the people who

*Yellow Copy*

██████████

'fall through the cracks' in this modern society, teaching farming, building, crafts and other skills needed to survive in this world without having to go on the welfare rolls, or government assistance." It also states that one of your biggest goals is to set an example to the Indigenous Americans, currently living on Reservations and on government handouts. It further states, "Our refuges are open to all races, religions, etc., as long as they agree to our guidelines: 1. No Work, No Eat; 2. Respect All That The Creator Has Made; 3. All Work Is Honorable; 4. Strive To Be In Control Of Yourself At All Times." Finally you state "We are not looking for large numbers of people, as we believe small, close knit groups work better for the support of each other. Our limit is █████ families on this refuge, less on the other refuge."

You moved from the State of █████ to the State of █████. You are presently at the █████ refuge. You have purchased █████ acres of land for \$████ and a █████ acre lot for \$████. You state you are currently building many of the dwellings and workshops. However, there is no information on how many dwellings have been built. The group decides at mealtime or council which project needs to be done and everybody with skills or who want to work on that project. Other available persons work on other projects. Occasionally, a big project comes up, like building a tire wall, then everybody gets together and works on it. Other group activities are planting and harvesting the crops. You have described your daily activities as follows: Everyone gathers for breakfast. After breakfast, █████ and anyone who wants to learn go to the greenhouse. Daily activities include watering, pollinating, weeding, and harvesting. █████ goes to teach plowing and machine operations or does whatever else is needed to be done. █████ goes to gather firewood, split wood, builds a dwelling or works on other projects. █████ teaches crafts, culinary skills, home economics, home management, or helps where ever a hand is needed. Group meals are breakfast, lunch, and dinner.

You state that everything is taught orally, by example and by practice. You provide the following examples:

1. Farming: The fields are plowed, disked, planted and harvested. Everyone gathers at the fields after breakfast. The various processes are explained to the group as they engage in each process. You state that by experience people learn how plants grow, what they look like at different stages and under what conditions they grow best. You also practice crop rotation.

2. Crafts: The crafts are taught person to person, orally, and by example. with respect to the crafts activities, you state that you are not aware of any activities other than those on the █████ refuge. You also state that you do not sponsor any craft

*yellow copy*

shows of any kind.

3. Tire House construction: You fill the tires with dirt, brick-stack the tires in a circle, leave openings for doors and windows, frame in the doors and windows, add the roof and either stucco or adobe the wall.

4. You have about [REDACTED] square feet of greenhouse in which you grow vegetables. You state that the growing of the vegetables is taught and managed by [REDACTED].

5. Sawmill operation: You own a sawmill. You state that when a tree is located, it is asked for permission to take its life. Once granted, it is cut down, then it is trimmed and the small branches are cut into firewood. It is then transported to the sawmill and trimmed. Those learning are taught the dangers of felling trees, and the responsibility of taking the life of a tree, as well as the great dangers of a sawmill and how to operate it safely.

You state that for all the activities described above, the required praying is done.

You indicate that you have no employees. All labor is donated and voluntary. So far you have plowed and disked about [REDACTED] acres of land. On the prepared land you have planted corn, beans, and wheat. You propose to expand the area used for fields in the future. You state that [REDACTED] manages and teaches plowing and disking. [REDACTED] also teaches the sawmill operation and engine maintenance, repairs and overhaul. The rest of the group, [REDACTED], [REDACTED], and [REDACTED], teach planting, caring, harvesting and crafts. The lumber as well as the crops are solely for those living on the refuge, or those who need help.

You have indicated that if you were to qualify for federal income tax exemption under section 501(c)(3) of the Code you would prefer classification as not a private foundation under section 170(b)(1)(A)(i) as a church. On Form 1023, Application for Recognition of Exemption, you provided the following information with respect to your religious activities. You stated that your formal code of doctrine and discipline for your members is "Respect all that the Creator has made." You do not require prospective members to renounce other religious beliefs or their membership in other churches. Your form of worship is prayer through the pipe, sweat lodge, and medicine wheel as described in [REDACTED], "[REDACTED]". You attract new members through word of mouth.

You have indicated that you have a Board of Elders. You state you have [REDACTED] Elders, which are equivalent to ministers. You state

*Yellow Copy*

- 5 -

that the course of study to become an Elder is to spend four years studying under an Elder, living and learning the teachings of the [REDACTED]. Graduation is determined by the unanimous vote of all the Elders.

With respect to your religious services, you state that your regular spiritual service is the Sweat Lodge, which is normally held on Mondays. The participating group at the sweat lodge is usually [REDACTED]. However, a maximum of [REDACTED] persons may participate.

You state that the pipe has a similar use as a focal point to you as the crucifix or the rosary has to Christians or Catholics. You use the pipe as a focal point to direct prayers to the Creator and your Ancestors. An Elder who carries the pipe leads the prayer. As the pipe is passed around, everyone adds their prayer to it. You have not indicated the frequency of this activity.

The Medicine Wheel is a sacred place, not unlike an altar, a place to pray. These ceremonies are spiritual in nature. They are open to anyone who wishes to attend. You have not indicated the frequency of this activity.

You have indicated that your way of life is also part of your religious services. You state that the [REDACTED] teach that any who have a need should receive what they need, which may not be what is wanted, from those who have, spiritually or physically. You state that you believe this done through fervent prayer and a one to one relationship with the Creator. You state that some of your teachings are: If you would receive love, then give love. If you would receive peace, then be peaceful. If you would receive honor, then honor those around you. If you would receive joy, then give joy to others. If you would receive happiness, then be a source of happiness. If you would receive respect, then be respectful to others. You state that the following are the things you strive for: Our Mission is to love. To light souls. To bring light where only sadness lives. To deliver peace where only chaos reigns. To bring hope to those who are defeated. To comfort those who know only fear.

You state that your [REDACTED] religious leaders are not employed outside of your organization because all members of the refuge devote full time and all resources to operating the refuge. No compensation other than basic housing, basic food, and basic necessities are received. The average time donated is [REDACTED] hours per week per individual.

You stated on Form 1023, Application for Recognition of Exemption, that you had locations in several parts of the United States. However, in your letter dated [REDACTED] you state that

*Yellow Copy*

you reserve the right to privacy. You did not indicate how many locations you had, where they were located, how many persons occupy each location or how each location is organized and operated and the persons who control and conduct each location's activities. You indicated that the other refuges are currently in the names of private individuals.

You state you are different from a commune because you allow private ownership, privacy and thinking. You state that the responsibilities of those who come to you for help are to learn to be productive and beneficial members of society at large. Your responsibility to those people are to provide them with basic material needs such as clothes, food, housing, medical, and training in one or all aspects of material training you have available, such as farming, sawmill operations, mechanics, crafts, and if they wish, your spiritual beliefs as well.

The financial information you submitted for [REDACTED] and [REDACTED] is as follows: For the tax year ending [REDACTED] you indicated you had donations in the sum of \$[REDACTED]. Of this amount you expended \$[REDACTED] or [REDACTED]% of income for unidentified individuals. You also state you contributed \$[REDACTED] to the [REDACTED]. However, there is no evidence of this. For the tax year ending [REDACTED] you received donations in the sum of \$[REDACTED]. Of this amount you expended \$[REDACTED] or [REDACTED]% of income for unidentified individuals. Some of your monthly bills are mortgage payments, vehicle insurance, telephone, and bank account charges. With respect to other expenses, you state that you do not keep records of persons you help. If you see someone who needs food, clothes, money or anything else that you have, you give it to them without asking their name. You keep no records regarding contributions received from the public nor distributions of funds you make to individuals.

Section 501(c)(3) of the Code provides for the exemption from federal income tax of organizations organized and operated exclusively for, among others, charitable or educational purposes no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations provides, in part, that the term "charitable" is used in its generally accepted legal sense and that such a term includes advancement of religion.

Section 1.501(c)(3)-1(a)(1) of the regulations provides that in order to be exempt as an organization described in section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the



*Yellow Copy*

████████████████████  
organizational test or the operational test, it is not exempt.

Section 1.501(c)(3)-1(b)(1)(iv) of the regulations provides that in no case shall an organization be considered to be organized exclusively for one or more exempt purposes, if, by the terms of its articles, the purposes for which such organization is created are broader than the purposes specified in section 501(c)(3). The fact that the actual operations of such an organization have been exclusively in furtherance of one or more exempt purposes shall not be sufficient to permit the organization to meet the organizational test. Similarly, such an organization will not meet the organizational test as a result of statements or other evidence that the members thereof intend to operate only in furtherance of one or more exempt purposes.

Section 1.501(c)(3)-1(b)(4) of the regulations provides that an organization is not organized exclusively for one or more exempt purposes unless its assets are dedicated to an exempt purpose. An organization's assets will be considered dedicated to an exempt purpose if, upon dissolution, such assets would, by reason of a provision in the organization's articles or by operation of law, be distributed for one or more exempt purposes, or to the Federal government, or to a state or local government, for a public purpose.

Section 1.501(c)(3)-1(c)(1) of the regulations provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Section 1.501(c)(3)-1(d)(1)(ii) of the regulations provides that an organization is not organized or operated exclusively for one or more exempt purposes unless it serves a public rather than a private interest. Thus, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

Section 1.501(c)(3)-1(c)(2) of the regulations provides that an organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals.

Section 1.501(a)-1(c) of the regulations defines "private shareholder or individual" as persons having a personal and private interest in the activities of the organization.

*Yellow Copy*

Better Business Bureau of Washington, D.C., Inc. v. United States, 326 U.S. 279 (1945), held, in part, that the presence of a single non-exempt purpose, if substantial in nature, will preclude exemption regardless of the number or importance of statutorily exempt purposes.

In Chapman v. Commissioner of Internal Revenue, 48 T.C. 350 (1967), the tax court considered the definition of a church as it relates to section 170(b)(1)(A)(i) which allows deductions for contributions to a church. In construing the phrase "church or convention or association of churches", the court decided that it was not the intent of Congress to use the word "church" in a generic or universal sense. The desire was to give the word a restrictive meaning. A more limited concept was intended than that denoted by the term "religious organization". Though every church may be a religious organization, every religious organization is not a church. The concept of a church was intended to be synonymous with the term "denomination" or "sect" rather than to be used in any universal sense.

In American Guidance Foundation, Inc. v. United States, 490 F. Supp. 304, (D.C. Dist. Ct. 1980), the Court recognized that there is no bright line beyond which certain organized activities undertaken for religious purposes coalesce into a church structure... (but that) at a minimum, a church includes a body of believers or communicants that assemble regularly in order to worship. Unless the organization is reasonably available to the public in its conduct of worship, its educational instruction, and its promulgation of doctrine, it cannot fulfill this associational role. The court held that the American Guidance Foundation, Inc., whose membership was comprised of a family and whose religious services and activities were conducted at their home, was not a "church" as that term is used for purposes of section 170 of the Code. The court referred to the following, among others, as disqualifying factors: (1) The organization's membership did not extend beyond the immediate family of the minister and all religious services and activities were conducted at the minister's residence. (2) The couple prayed together in the physical solitude of their home. The court stated that they did not constitute a "congregation" within the ordinary meaning of the word. (3) The organization made no effort to convert others or to extend its membership beyond the immediate family. (4) Its "organized ministry" is a single self-appointed clergyman. (5) Its "conduct of religious worship" does not extend beyond the family dwelling, which is used primarily for non-religious purposes. The court concludes that rather than ministering to a society of believers, the organization is engaged in a quintessentially private religious enterprise. The court further stated that it is not enough that a corporation believes and declares itself to be a church. Nor is it

*Yellow copy*

██████████

sufficient that the applicant prepares superficially responsive documentation for each of the established IRS criteria. To hold otherwise would encourage sham representations to the IRS and result in adverse tax consequences to the public at large. The court indicated that in this instance the organization does not employ recognized, accessible channels of instruction and worship. There is little if any evidence that it seeks to reach or serve a congregation. Private religious beliefs, practiced in the solitude of a family living room, cannot transform a man's home into a church.

Living Faith, Inc. v. Commissioner of Internal Revenue, T.C. Memo 1990-484, 9/19/90, held that the taxpayer's vegetarian restaurants and health food stores which advocated religious beliefs did not qualify for tax exempt status. The dissemination of literature and information about the Seventh-Day Adventist religious beliefs on diet and health was peripheral and incidental to the substantial commercial purposes of the enterprise.

Living Faith, Inc. was created for charitable purposes within the meaning of section 501(c)(3) of the Code. Its board of directors was comprised of Seventh-Day Adventist Church deacons and ordained elders.

The organization's activities consisted of operating two vegetarian restaurants and health food stores that were open to the public. The meal and food prices were similar to other restaurants and food stores. A requirement for operation was that there be Seventh-Day Adventist management and a good working relationship with the local Seventh-Day Adventist Church. Profits were used to expand its facilities in order to provide other health programs. One Saturday a month the organization provided free meals, and people attending were given the opportunity to sample vegetarian cuisine, to peruse Seventh-Day Adventist literature, and to obtain informal answers to questions about the Seventh-Day Adventist Church. The organization offered a cooking school every few months which was open to the public and promoted the vegetarian lifestyle. The organization often gave free meals to the needy who did work in return. Each work day began with a devotional talk by a staff member, as well as hymn singing and a Bible reading. Bible seminars were conducted in the restaurant each Monday evening after closing. Religious literature was made available to customers. As a result of the organization's evangelistic work, 10 - 12 people joined Seventh-Day Adventist Churches.

Retreat in Motion, Inc. v. Commissioner of Internal Revenue, T.C. Memo 1984-315, 6/21/84, held that a traveling ministry that used a bus to transport and sleep its members is not exempt under section 501(c)(3) of the Code. The bus was not used exclusively for exempt purposes and the trips to Disney World, Washington and

- 1 -

*Yellow Copy*

- 10 -

the Smokey Mountains served two purposes: religious and recreational. The court further held that the organization's substantial recreational activities were not merely incidental to religious activities.

Retreat in Motion was created for charitable purposes within the meaning of section 501(c)(3) of the Code. Its board of directors was composed of 15 persons, each of whom was a member of one of three United Methodist churches.

The organization's program consisted of taking church-related groups on three- to five-day trips and providing an environment which was more conducive to the sharing of the Christian faith. The bus trips constituted the organization's entire program, with the only other activities ancillary such as fund raising, administration and bus maintenance. Trips were taken to vacation spots around the country where the groups engaged in the typical tourist sightseeing and touring activities. Also, each trip was accompanied by a trained program coordinator who would lead the group in singing, faith exploration, discussion and worship. The premise of the organization's devotional program was that religious conversation and study were encouraged at any time. Additionally, there were formal devotions on a daily basis. The organization estimated that formal devotions were about one hour daily, religious singing two to four hours daily, faith explanations anywhere from 30 minutes to several hours daily, depending upon individual needs, and worship services 35 to 50 minutes on Sunday or the last day of the trip. All of the formal worship activities were attended by all of the trip participants; the informal periods of sharing normally included everyone on the trip.

The court stated, "We are presented here with a factual situation akin to any trip for sightseeing and recreational purposes where the group members are compatible in nature. The fact that the element of compatibility might be religiously oriented and therefore related to exempt activities cannot serve to provide a gloss of exemption over that which is recreational in nature."

You are similar to the American Guidance Foundation, Inc. in that your religious activities are not reasonably available to the community in general. There is little evidence in the file that you serve a "congregation" or group of followers other than your members.

You are similar to Living Faith, Inc. and Retreat in Motion, Inc. in that your religious activities are incidental to your primary activity of operating a self-sustaining community.

You are incorporated under the Business Corporation

*Yellow Copy*

██████████

Act which allows, among other commercial activities, the issuing of shares and the distribution of dividends. Your Articles of Incorporation do not restrict your purposes exclusively to charitable purposes within the meaning of section 501(c)(3) of the Code. Also, your Articles of Incorporation have no provision for the distribution of assets upon dissolution. Consequently, your Articles of Incorporation do not meet the "purpose" and "dissolution" requirement under sections 1.501(c)(3)-1(b)(1)(i) and 501(c)(3)-1(b)(4) of the regulations. Therefore, you fail to meet the organizational test under section 1.501(c)(3)-1(a)(1) of the regulations. By being authorized to operate in conformity to the Business Corporation Act you are not organized and operated as required under section 501(c)(3) of the Code.

Your membership consists of ██████████ persons, ██████████. These members are also your Elders. ██████████ of these members also comprise your Board of Directors. You are controlled by the ██████████ members. Your sources of funds are from anonymous donors. You distribute funds to unidentified individuals. You keep no records of persons who make contributions to you or to whom you distribute funds. All income, other than that distributed to individuals, is used for the payment of bills such as mortgage of the refuge, vehicles for transportation, insurance, machinery and tools used for farming and lumbering, telephone, utilities, and bank expenses.

Your daily activities consist primarily of farming, gardening, lumbering, household activities, construction of homes or buildings needed and other activities for the maintenance of your land and necessary equipment. As described above and in the file, these activities serve the purpose of creating a self-sustaining community for the benefit of your ██████████ members. The time, energy, and other resources devoted to your ██████████ members' means of sustenance and the manner in which you are operated demonstrate that your activities further substantial non-exempt purposes.

We do not question the sincerity of your religious beliefs. However, based on the information submitted it appears that your religious activities are not your primary activities. Your religious activities are coincidental to your primary activity of creating a self-sufficient community. Also, you do not have a body of believers that assemble regularly for your religious services and you are not reasonably available to the public in the conduct of such services. Accordingly, we conclude that you are not a church within the meaning of section 170(b)(1)(A)(i) of the Code.

Your primary daily activities are those similar to activities carried on by rural farm families for their physical and spiritual sustenance. There is no evidence in the file of participation by "others" or "students" in your daily and/or religious activities.

- 1 -

*Yellow Copy*

There is no evidence of a group of religious/spiritual followers. There is no evidence that any of your activities benefit the community at large. Your [REDACTED] members appear to be the only individuals who participate and benefit from your activities. Your activities are conducted in a manner which primarily benefits "private shareholders and individuals" as defined in section 1.501(a)-1(c) of the regulations. Therefore, you are substantially serving private rather than public interests pursuant to section 1.501(c)(3)-1(d)(1)(ii) of the regulations. You are not operated exclusively for an exempt purpose as required under section 1.501(c)(3)-1(c)(1) of the regulations.

Based on all of the above and the information in the file, we conclude that you are neither organized nor operated exclusively for charitable or religious purposes. Consequently, you do not qualify for tax exempt status under section 501(c)(3) of the Code.

You are required to file federal income tax returns on Form 1120 for each year that you have been in existence.

Contributions to you are not deductible under section 170 of the Code.

You have the right to protest this ruling if you believe it is incorrect. To protest, you should submit a statement of your views, with a full explanation of your reasoning. This statement, signed by one of your officers, must be submitted within 30 days from the date of this letter. You also have the right to a conference in this office after your statement is submitted. You must request the conference, if you want one, when you file your protest statement. If you are to be represented by someone who is not one of your officers, that person will need to file a proper power of attorney and otherwise qualify under our Conference and Practice Requirements.

If you do not protest this proposed ruling in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Code provides, in part, that a declaratory judgment or decree under this section shall not be issued in any proceeding unless the United States Tax Court, the United States Court of Federal Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service.

*Yellow Copy*

- 13 -

[REDACTED]

If we do not hear from you within 30 days, this ruling will become final and copies will be forwarded to your key District Director. Thereafter, if you have any questions concerning reporting requirements, please contact your key District Director.

Sincerely,

(signed) [REDACTED]

[REDACTED]  
Chief, Exempt Organizations  
Rulings Branch 1

*cc: State officials of [REDACTED]*

[REDACTED]  
[REDACTED]  
2/28/95

[REDACTED]  
[REDACTED]  
3/10/95